



United States  
General Accounting Office  
Washington, D.C. 20548

Accounting and Information  
Management Division

B-255628

November 16, 1993

The Honorable John A. Boehner  
Ranking Minority Member  
Subcommittee on Office Systems  
Committee on House Administration  
House of Representatives

Dear Mr. Boehner:

This responds to your October 15, 1993, letter regarding our authority to audit the House Finance Office and whether such authority is sufficient to audit legislative service organizations (LSOs).

Our authority to audit legislative branch operations (including the House Finance Office and LSOs) is conferred by the following laws. Section 3523(a) of Title 31, U.S.C., authorizes us to audit the financial transactions of each federal agency, including those in the legislative branch of government. Section 712(1) of Title 31, U.S.C., authorizes us to audit all matters related to receipt, disbursement, and use of public money.

The LSOs will be financed through revolving accounts maintained by the House Finance Office, as of January 1, 1994. These revolving accounts will be available for the LSOs' ordinary and necessary business expenses in support of Members' official and representational duties and will be financed by payments from annual appropriations for Members' Clerk Hire and/or Official Expenses Allowances. Our authority to audit LSOs, therefore, is clear.

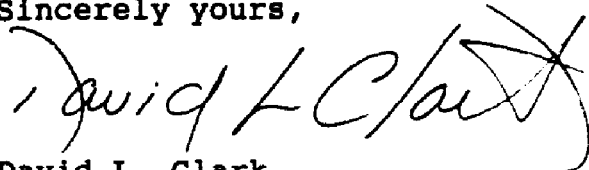
Historically, we have audited legislative branch entities when required by statute or at the request of the cognizant congressional committees or congressional officers overseeing or directing the entities. Currently, we audit about 20 entities annually and another 10 less frequently.

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It is important that activities financed with public funds undergo annual financial audits as an element of appropriate oversight. The type and frequency of audit could vary depending on such things as the size of a particular LSO or its level of activity. Also, it should be noted that audits of LSOs could be done as readily through the hire of public accounting firms or by the new inspector general of the House as by the General Accounting Office.

Please call me on (202) 512-9489 if you or your staff have any questions.

Sincerely yours,

A handwritten signature in cursive script that reads "David L. Clark". The signature is written in dark ink and is positioned above the typed name.

David L. Clark  
Director, Legislative Reviews  
and Audit Oversight

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